



**Testimony  
Rudy Marconi  
First Selectman, Town of Ridgefield  
On behalf of the Connecticut Council of Small Towns  
Before the Education Committee  
March 1, 2019**

My name is Rudy Marconi, First Selectman of Ridgefield and I am the President of the Connecticut Council of Small Towns (COST), which represents 110 smaller communities throughout Connecticut.

COST opposes to the provisions in HB-7150, which shift teachers' pension costs to towns. school districts.

In 2017, Governor Malloy's budget proposal would have required municipalities to bear 1/3 of the teachers' pension costs, including unfunded liabilities, projected to be more than \$400 million per year. Recognizing that this proposal would have unfairly imposed a tremendous burden on towns and property taxpayers, which have had no say in making the decisions that resulted in this staggering problem, the bill was soundly rejected.

While we recognize that Governor Lamont's proposal is less onerous, we are very concerned that the proposal will impose an impossible burden on the state's property taxpayers. As proposed, the bill shifts *at least* 25% of the "normal" teachers' pension costs to towns/school boards over a three year period, and for many small towns, considerably more than the 25%. The "normal cost", an actuarial term, is the full amount that must be set aside annually to cover the future pensions of present day teachers.

It also requires towns that pay teacher salaries above the median to pay an additional percentage on top of the 25%. However, the normal cost already reflects increased costs associated with higher salaries. Requiring towns to pay an additional percentage for salaries above the median is unfair. In addition, many towns must pay higher salaries to reflect higher costs of living in certain regions of the state.

COST opposes **any** shift in teachers' pension costs because:

- 1) Towns have absolutely no authority to manage teachers' pension costs going forward, because benefits and contribution rates are set in statute. In addition, binding arbitration limits opportunities to negotiate lower salaries.
- 2) Given the state's ongoing budget challenges, COST is very concerned that the 25% will increase over time, shifting a greater burden onto property taxpayers. Education already



comprises 70-90% of local budgets in our small towns, imposing tremendous pressure on our property tax levels.

- 3) Many small towns have faced cuts in municipal aid and are facing additional reductions in Education Cost Sharing (ECS) funding because the bill accelerates the phase-in of changes to the ECS formula.

In addition, COST opposes efforts to accelerate the phase-in of changes to the Education Cost Sharing formula, which will result in sizable reductions in education funding in many communities. Property taxpayers in many small towns contribute a significant amount of taxes to the state's General Fund even though their communities receive very little back in terms of municipal aid or state services.

While we understand that the needs of other communities are great, all towns should receive some level of funding. This "fair-share funding" ensures that every community has a stake in the quality and success of Connecticut's schools.

Education already comprises 70-90% of local budgets in our small towns, imposing tremendous pressure on our property tax levels. COST recommends revisions to the provisions in the bill regarding the Minimum Budget Requirement to help towns control education costs.

Under the Minimum Budget Requirement (MBR) mandate, school districts must budget at least the same amount for education as they did in the prior fiscal year, with certain limited exceptions. The MBR mandate is holding town budgets hostage, imposing a tremendous burden on property taxpayers to fund unnecessary levels of education spending.

Towns need more flexibility to ensure that education budgets can be adjusted to reflect declining enrollment and other areas where savings can be achieved. **COST recommends eliminating the MBR mandate for non-Alliance School districts to help towns control the growth of local budgets to ease the burden on property taxpayers.**

Thank you for the opportunity to comment.